



Departmental Quarterly Performance Report

AUDIT AND MANAGEMENT SERVICES

**FY 2005
Quarter 3**

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Reporting Period: FY 2005 – Quarter 3

MAJOR PERFORMANCE INITIATIVES

Describe Key Initiatives and Status

Check all that apply

<p><u>Initiatives</u></p> <ul style="list-style-type: none"> Annually complete 75% of planned audits or issue no less than 40 audit reports. Complete risk assessment analysis and develop audit plan during second quarter. <p><u>Status:</u></p> <ul style="list-style-type: none"> Through June 30, 20005, we issued 19 reports, including 8 this quarter. Key performance highlights are as follows: <ul style="list-style-type: none"> Completed MIA audits of a general aeronautical services permittee and catering services permittee. Audits evaluated permit compliance, identified areas for improvement, and recommended financial recoveries totaling \$1.3 million. As requested we reviewed the Abandoned Ballot Impact on Election Outcomes that was precipitated by the inadvertent generation of blank ballot records when pollworkers cast voter-abandoned ballots on iVotronic voting machines during the March 8, 2005 County-wide Special Election. The condition was caused by an improperly set iVotronic parameter found in six of 63 elections conducted between January 1, 2003 and March 31, 2005. Audit analysis determined there was no impact on the outcomes of any race during the affected period. Our audit report also included recommendations to mitigate the risk of this inadvertent error recurring. Reviewed the propriety of the \$4.2 million payment to Cesar Pelli & Associates for uncompensated services and reimbursable charges incurred for the period of October 15, 2001 through May 31, 2004, in connection with their work on the Performing Arts Center, concluding the payout was properly supported. \$1.07 million was collected this quarter from current and prior year assessments. <div data-bbox="321 955 909 1281"> <p style="text-align: center;">Audit Reports and Deliverables</p> <table border="1"> <caption>Audit Reports and Deliverables</caption> <thead> <tr> <th>Fiscal Year</th> <th>Number of Reports or Deliverables</th> </tr> </thead> <tbody> <tr> <td>FY01</td> <td>50</td> </tr> <tr> <td>FY02</td> <td>53</td> </tr> <tr> <td>FY03</td> <td>75</td> </tr> <tr> <td>FY04</td> <td>52</td> </tr> <tr> <td>FY05</td> <td>19</td> </tr> </tbody> </table> </div>	Fiscal Year	Number of Reports or Deliverables	FY01	50	FY02	53	FY03	75	FY04	52	FY05	19	<p><input checked="" type="checkbox"/> Strategic Plan – ES8-1</p> <p><input checked="" type="checkbox"/> Business Plan</p> <p><input type="checkbox"/> Budgeted Priorities</p> <p><input type="checkbox"/> Customer Service</p> <p><input type="checkbox"/> ECC Project</p> <p><input type="checkbox"/> Workforce Dev.</p> <p><input type="checkbox"/> Audit Response</p> <p><input type="checkbox"/> Other _____ (Describe)</p>
Fiscal Year	Number of Reports or Deliverables												
FY01	50												
FY02	53												
FY03	75												
FY04	52												
FY05	19												
<p><u>Initiatives</u></p> <ul style="list-style-type: none"> Conduct 60% of follow-up audits on the annual audit Plan. At a minimum, issue 30% of audit reports within 90 days after fieldwork completion. Provide support services to various County departments. <p><u>Status:</u></p> <ul style="list-style-type: none"> 7 of 8 audit reports released this quarter were issued within 90 days of fieldwork completion. 	<p><input checked="" type="checkbox"/> Strategic Plan – ES1-1</p> <p><input checked="" type="checkbox"/> Business Plan</p> <p><input type="checkbox"/> Budgeted Priorities</p> <p><input checked="" type="checkbox"/> Customer Service</p> <p><input type="checkbox"/> ECC Project</p> <p><input type="checkbox"/> Workforce Dev.</p> <p><input type="checkbox"/> Audit Response</p> <p><input type="checkbox"/> Other _____ (Describe)</p>												
<p><u>Initiatives</u></p> <ul style="list-style-type: none"> Develop Department website and move from test to production by 12/31/04. <p><u>Status:</u></p> <ul style="list-style-type: none"> Department website is currently on-line. 	<p><input checked="" type="checkbox"/> Strategic Plan – ES2-1</p> <p><input checked="" type="checkbox"/> Business Plan</p> <p><input type="checkbox"/> Budgeted Priorities</p> <p><input type="checkbox"/> Customer Service</p> <p><input type="checkbox"/> Workforce Dev.</p> <p><input type="checkbox"/> ECC Project</p> <p><input type="checkbox"/> Audit Response</p> <p><input type="checkbox"/> Other _____ (Describe)</p>												

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<p><u>Initiatives</u></p> <ul style="list-style-type: none"> Annually provide 40 hours of Continuing Professional Education to every auditor. Conduct quarterly staff meetings. Conduct at least 80% of annual evaluations within 30 days after due date. Maintain a minimum of 55% staff certification rate. Complete a draft of procedures manual by 9/30/05. <p><u>Status:</u></p> <ul style="list-style-type: none"> Six of seven annual evaluations due this quarter were conducted within 30 days after due date. Provided staff with 37 hours of Continuing Professional Education this quarter through contracted technical training. 	<p><u>X</u> <i>Strategic Plan – ES5-2 and 5-4</i></p> <p><u>X</u> <i>Business Plan</i></p> <p><u> </u> <i>Budgeted Priorities</i></p> <p><u> </u> <i>Customer Service</i></p> <p><u> </u> <i>Workforce Dev.</i></p> <p><u> </u> <i>ECC Project</i></p> <p><u> </u> <i>Audit Response</i></p> <p><u> </u> <i>Other</i> _____ <i>(Describe)</i></p>
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PERSONNEL SUMMARY

A. Filled/Vacancy Report

NUMBER OF FULL-TIME POSITIONS	Filled as of September 30 of Prior Year	Current Year Budget	Number of Filled and Vacant positions at the end of 3rd quarter							
			Quarter 1		Quarter 2		Quarter 3		Quarter 4	
			Filled	Vacant	Filled	Vacant	Filled	Vacant	Filled	Vacant
	47	49	46	3	47	2	47	2		

Notes:

B. Key Vacancies

- At quarter-end, 47 of 49 budgeted positions are filled. Due to the County's hiring freeze, two positions remain vacant.

C. Turnover Issues

None

D. Skill/Hiring Issues

- The Residency Ordinance continues to negatively impact recruiting efforts, particularly at the upper management level.

E. Part-time, Temporary and Seasonal Personnel

(Including the number of temporaries long-term with the Department)

None

F. Other Issues

- Loss of five additional audit positions in 2004-05 has continued to impact the Department's ability to effectively discharge its oversight role in assuring ongoing compliance, effective government operations, and ethical government.

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FINANCIAL SUMMARY

(All Dollars in Thousands)

	PRIOR YEAR Actual	FY 2004-05						
		Total Annual Budget	Quarter 3		Year-to-date			
			Budget	Actual	Budget	Actual	\$ Variance	% of Annual Budget
Revenues								
General Fund	\$ 3,373	\$ 3,411	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Carryover	25	33	-	-	-	-	-	0.0%
Total	\$ 3,398	\$ 3,444	\$ -	\$ -	\$ -	\$ -	\$ -	
Expense								
Salary and Fringes	\$ 4,076	\$ 4,409	\$ 1,102	\$ 1,037	\$ 3,306	\$ 3,135	\$ (171)	71.1%
Salary Reimbursement	(1,008)	(1,210)	-	-	-	-	-	0.0%
Net Salary and Fringes	\$ 3,068	\$ 3,199	\$ 1,102	\$ 1,037	\$ 3,306	\$ 3,135	\$ (171)	98.0%
Other Operating	260	212	53	34	159	108	(51)	50.9%
Capital	37	33	8	3	24	13	(11)	39.4%
Total	\$ 3,365	\$ 3,444	\$ 1,163	\$ 1,074	\$ 3,489	\$ 3,256	\$ (233)	

Notes on Financial and Personnel Information:

Equity in pooled cash (for proprietary funds only)

Fund/ Subfund	Prior Year	Projected at Year-end as of			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
		N/A	N/A	N/A	
Total		N/A	N/A	N/A	

Comments:

(Explain variances, discuss significant in-kind services, provide status of aged receivables at 30-60-90+ days and those scheduled for write-off, if applicable)

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STATEMENT OF PROJECTION AND OUTLOOK

The Department projects to be within authorized budgeted expenditures and projects that available revenues will exceed expenses except as noted below:

Notes and Issues:

DEPARTMENT DIRECTOR REVIEW

The Department Director has reviewed this report in its entirety and agrees with all information presented including the statement of projection and outlook.

Cathy Jackson
Cathy Jackson
Department Director

Date: August 1, 2005